

# Prescription Drug Use and Spending in Maryland

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# Context

- Backdrop of rapid growth in spending
  - 2003 drug spending \$3.5b in MD, 13% of total health care spending
  - Spending increases have been double-digit, slowing but still 9% growth 2002 to 2003
- Drug issues at the policy forefront
  - Medicare drug benefit
  - Re-importation
  - FDA

# Purpose

- Examine 2003 use and spending on prescription drugs by Maryland's privately-insured, nonelderly residents
- Focus on cost/affordability, patterns of use, and market trends
- Baseline data for tracking and future analyses

# About the Data

- Limited to privately insured, no data on uninsured or those without drug coverage
- Includes major health insurance companies (licensed in MD and more than \$1m in premiums)
- Data for users only—at least one drug claim filed during year
- Prices may not reflect discounts/rebates or contract pricing

# How much is spent

## ■ Per User (medians)

- \$194 (total)
- \$73 (OOP)
- 5 prescriptions

## ■ Per script (medians)

- \$41 (total)
- \$15 (OOP)

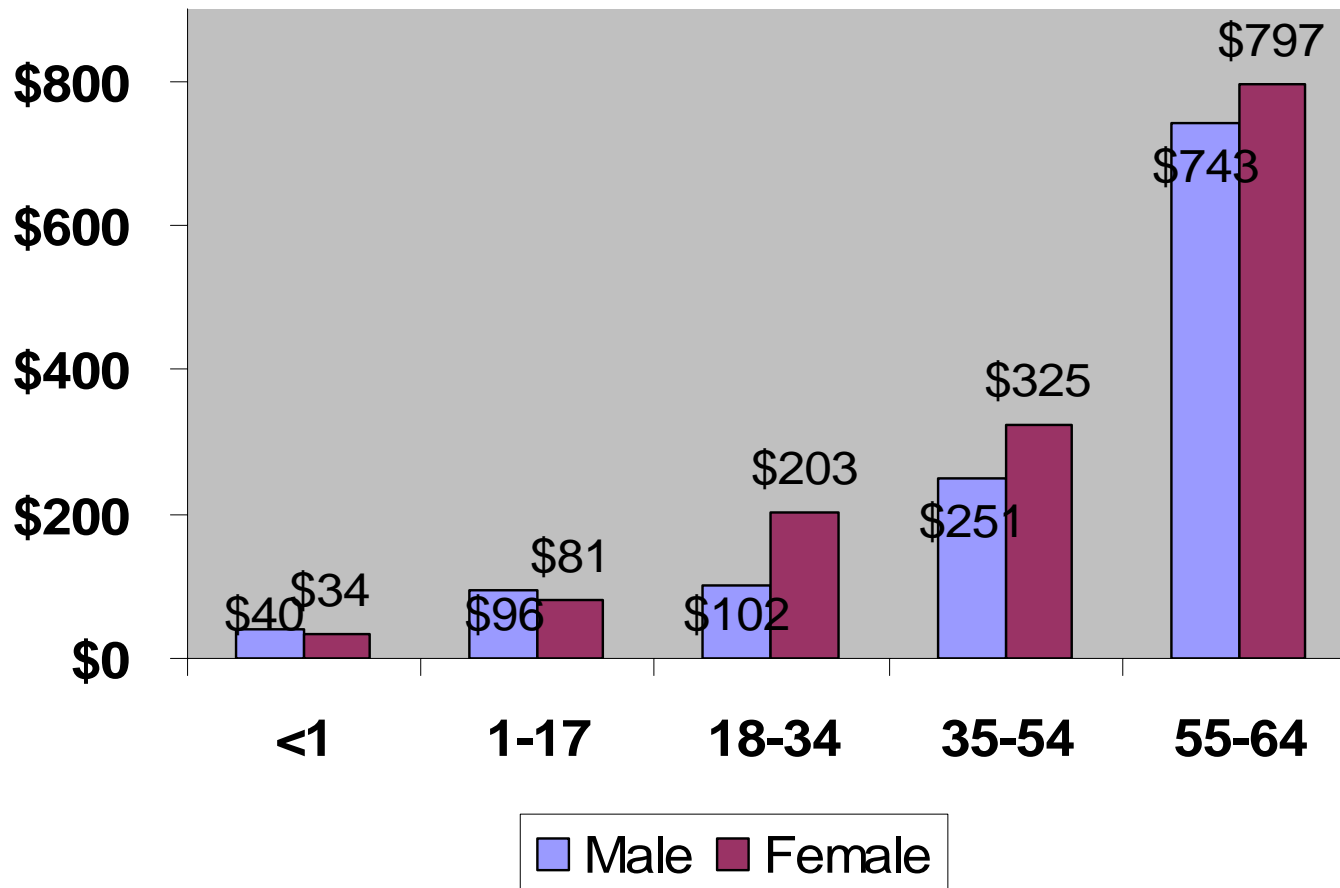
## ■ Change from 2002

- 5% in total
- 13% in OOP
- No change in scripts
- Small decline # of users

## ■ Change from 2002

- 4% total
- 11% OOP

# Spending by age & gender



# Spending by coverage type

	Median \$ per user, 2003	Percent OOP
Individual market	191	66
Private, large group	214	33
Public	253	33
CSHBP (small group)	233	43

# Distribution of spending

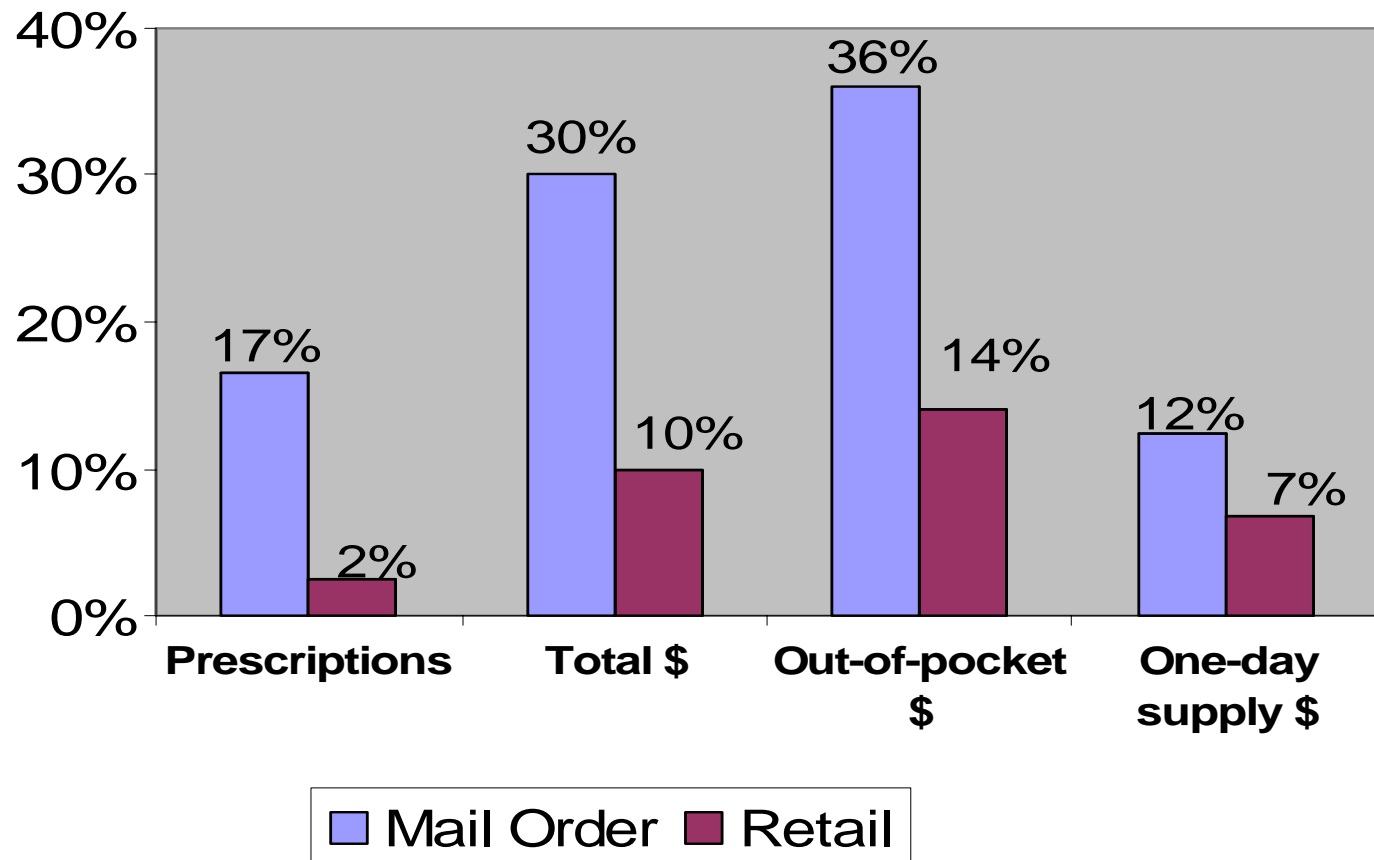
Users, ranked by spending	Percent of all spending	Mean spending (\$)
Top 1 percent	17	11,539
Top 5 percent	41	5,405
Top 20 percent	75	2,473
Top 50 percent	94	1,253
Bottom 50 percent	6	74



# Mail order drugs are growing issue

Percent change—2002 to 2003

\*SB 885 will require a study\*



# Generic vs. Brand

- Generics account for 43% of prescriptions, 15% of total expenditures, and 24% of OOP expenditures
- Mean \$ per script
  - \$115 for branded, new drugs
  - \$103 for branded, older drugs
  - \$25 for generics
- OOP \$ were \$24, \$23, and \$10, respectively

# Why focus on NSAIDs

- COX-2 inhibitors are a special subgroup of non-steroidal anti-inflammatory drugs (NSAIDs) marketed for being gentler on the stomach
- Rapid growth in use over past decade
- Recent attention focused on safety issues resulting in FDA actions

# Findings on NSAIDs

- 22% of adults in database treated with NSAID in 2003
- 20% of these used COX-2 inhibitor, 2001 to 2003 unchanged
- Average costs for use of COX-2: \$335 per user and \$3.26 per medicated day
- Average costs for other NSAID: \$36 per user and \$1.00 per medicated day

# Antidepressant use among children

- Substantial growth in use
- In part driven by new subgroup of Selective Serotonin Reuptake Inhibitors (SSRIs)
- Recent attention on safety issues resulted in FDA action

# Findings on antidepressants

- Of children in database, 3% used antidepressant in 2003 (2/3 used SSRI)
- 3/5 prescribed more than one antidepressant
- Increase in number of children using SSRI  
–2001 to 2003– 8% for children <10 and 26% for children ages 10-17

# Conclusions

- OOP share grew faster than third-party portion.
- Mail order grew much faster than retail, but is still a small share of the insured market.
- CSHBP spending level is slightly above large group private, but lower than public. Share OOP is higher in CSHBP than large group, but lower than individual.
- Growth of Cox-2 inhibitors was slowing in 2003, prior to safety concerns. Alternatives are much less costly.